GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4292
ANSWERED ON:12.12.2016
Promotion of Traditional Rural Industries
Jaunpuria Shri Sukhbir Singh

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has taken note that traditional rural occupations such as weaving, spinning, ironsmith, carpenter, oil extraction are on the wane due to which the rural youth is migrating to towns and cities;

(b) if so, the reaction of the Government thereto;

(c) whether the Government has formulated/proposes to formulate any scheme to promote traditional rural industries and to stem the migration of unemployed youth by creating additional opportunities for employment in rural areas of the country; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a)to(d): In order to promote traditional rural industries and to stem the migration of unemployed youth by creating additional opportunities for employment in rural areas of the country, Ministry of MSME is implementing a 'Scheme of Fund for Regeneration of Traditional Industries' (SFURTI) scheme for regeneration of traditional industries by taking up clusters and developing their competitiveness, sustainability and cluster governance. The cluster would enhance marketability of products by providing support for new products, design intervention and improved packaging and also the improvement of marketing infrastructure.

A total of 56 Detailed Project Reports (DPRs) have been approved benefitting 42701 artisans. Against this, funds involving Rs.70.46 crore have been released by the Ministry till date (i.e. 15.11.2016).

Ministry is also implementing a major credit-linked subsidy scheme named Prime Minister's Employment Generation Programme (PMEGP) for generating employment through setting up micro enterprises in rural non-farm sector by providing financial assistance to traditional artisans and unemployed youth so as to help restrict migration of rural youth to urban areas. Under PMEGP, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas, personal contribution is 10%. For beneficiaries belonging to special categories such as SC/ST/OBC/ minorities/women, ex-serviceman, physically handicapped, NER, Hill and Border areas etc. the margin money subsidy is 35% in rural areas and 25% in urban areas, personal contribution is 5%. The maximum cost of projects is Rs. 25 lakh in the manufacturing sector and Rs. 10 lakh in the service sector.

Since inception and upto 30.11.2016, the PMEGP Scheme has been able to provide employment opportunities to about 33.40 lakh persons through setting up 3.97 lakh enterprises and utilized margin money subsidy of Rs.8041.45 crore.